

FY 2013 Financial Results and FY 2014 Integrated Financial Plan

November 2013

September YTD - 12 months (Billions)	FY 2013	FY 2012
Revenue (excl. accounting est. change)	\$66.0	\$65.2
Expenses*	66.7	67.5
Separation Incentive Costs	0.3	0.1
Operating Income (Loss)**	(1.0)	(2.4)
Changes in Accounting Estimate***	1.3	-
Retiree Health Benefits Pre-Funding	(5.6)	(11.1)
Workers' Comp. Fair Value Adj.	1.7	(0.4)
Workers' Comp. Other Non-Cash Adj.	(1.4)	(2.0)
Net Income (Loss)	(\$5.0)	(\$15.9)
Liquidity Days (of oper. cash)	9	8
Volume (Pieces)	158	160

* Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.

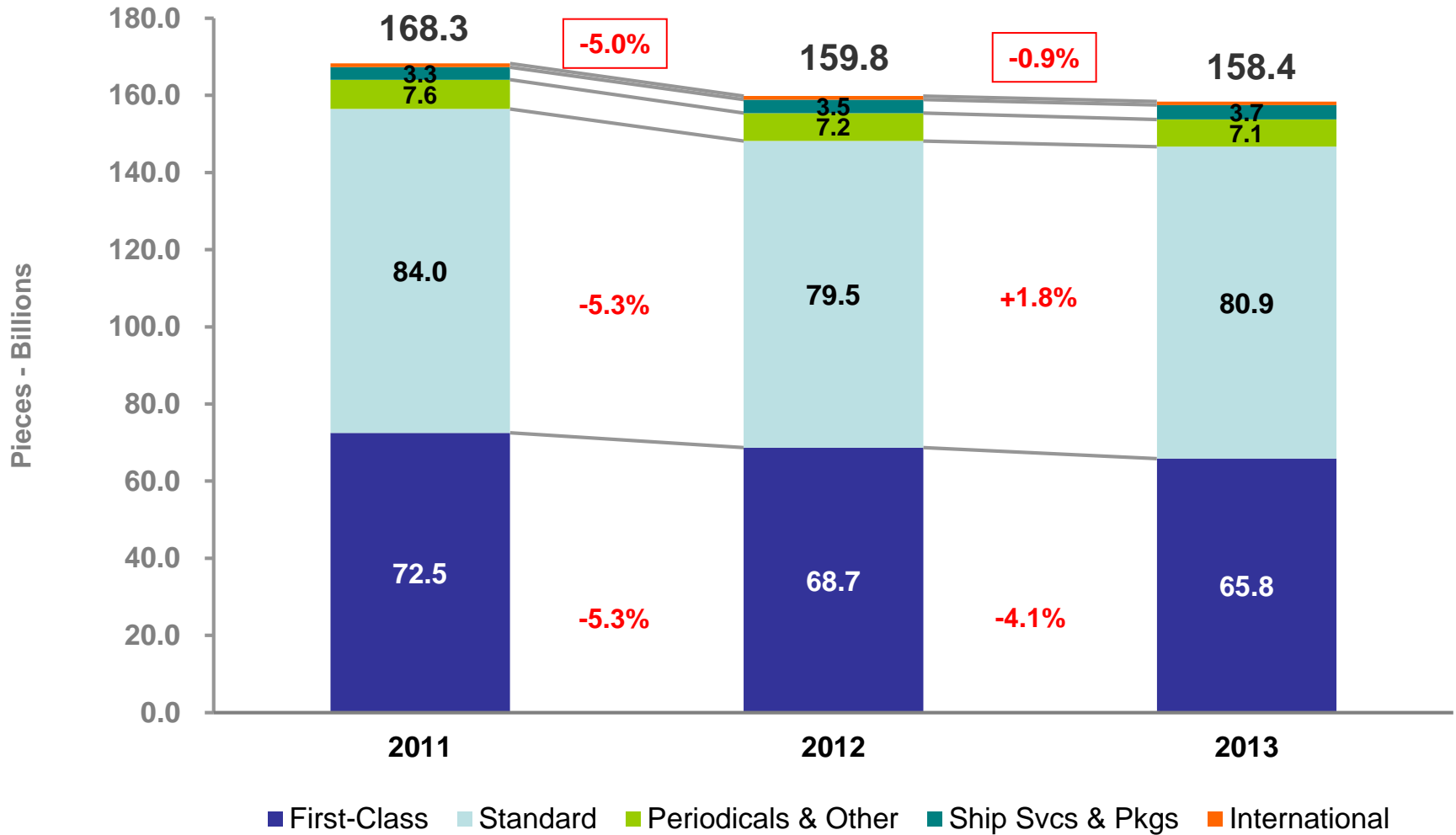
** Before accounting estimate change, RHB pre-funding, and non-cash adjustments to workers' compensation liabilities.

*** Newly available data on forever stamp usage resulted in a \$1.3B reduction in Deferred Revenue – Prepaid Postage.

Note: Delivery days were equal to FY2012. Retail had one additional weekday in FY2013 vs. FY2012.

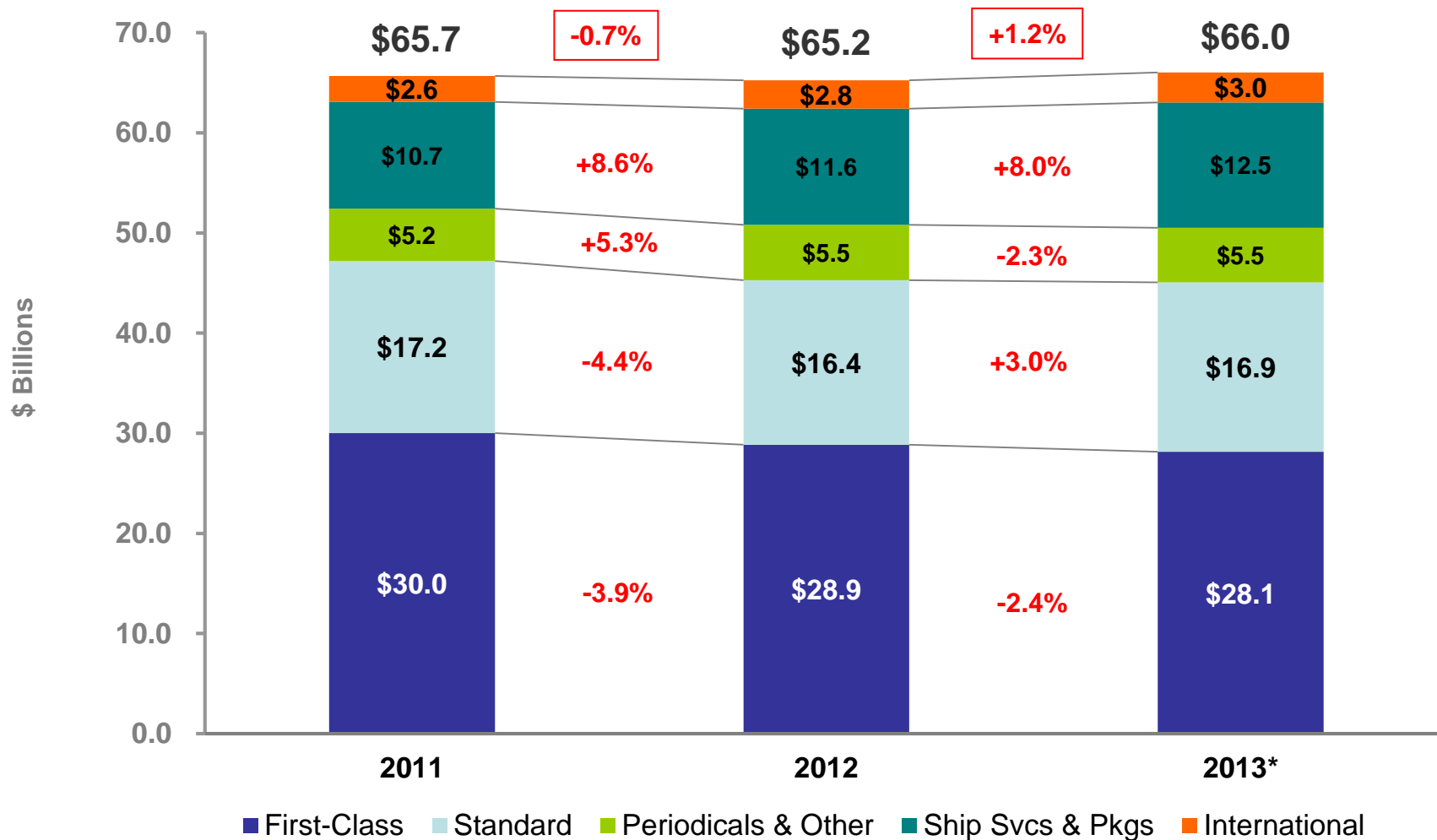


Volume Trend 2011-2013





Revenue Trend 2011-2013



* Excludes \$1.3B impact of change in accounting estimate for Deferred Revenue-Prepaid Postage.

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- **Liabilities exceed assets by approx. \$40 billion**
- **The USPS has only 35 cents of assets to cover each dollar of its liabilities**

ASSETS		LIABILITIES	
Unrestricted Cash	\$ 2.3B	Retiree Health Benefits	\$16.8B
Buildings & Equipment, net of depreciation	\$ 17.5B	Workers' Compensation	\$17.2B
Other assets	\$ 1.8B	Debt	\$15.0B
		Accrued Compensation, benefits and leave	\$ 3.5B
		Deferred Revenue*	\$ 3.6B
		Other	\$ 5.4B
Total Assets	\$21.6B	Total Liabilities**	\$61.5B

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** Excludes additional unfunded liabilities for Retiree Health Benefits (\$31.5B) and CSRS (\$19.8B)

➤ Significant profits over years and legislation are needed to recover.

FY 2014 Integrated Financial Plan

November 2013

Profit & Loss Comparison

(IFP Reflects Exigent + CPI Price Increase)

September YTD - 12 months (Billions)	FY 2013	IFP 2014
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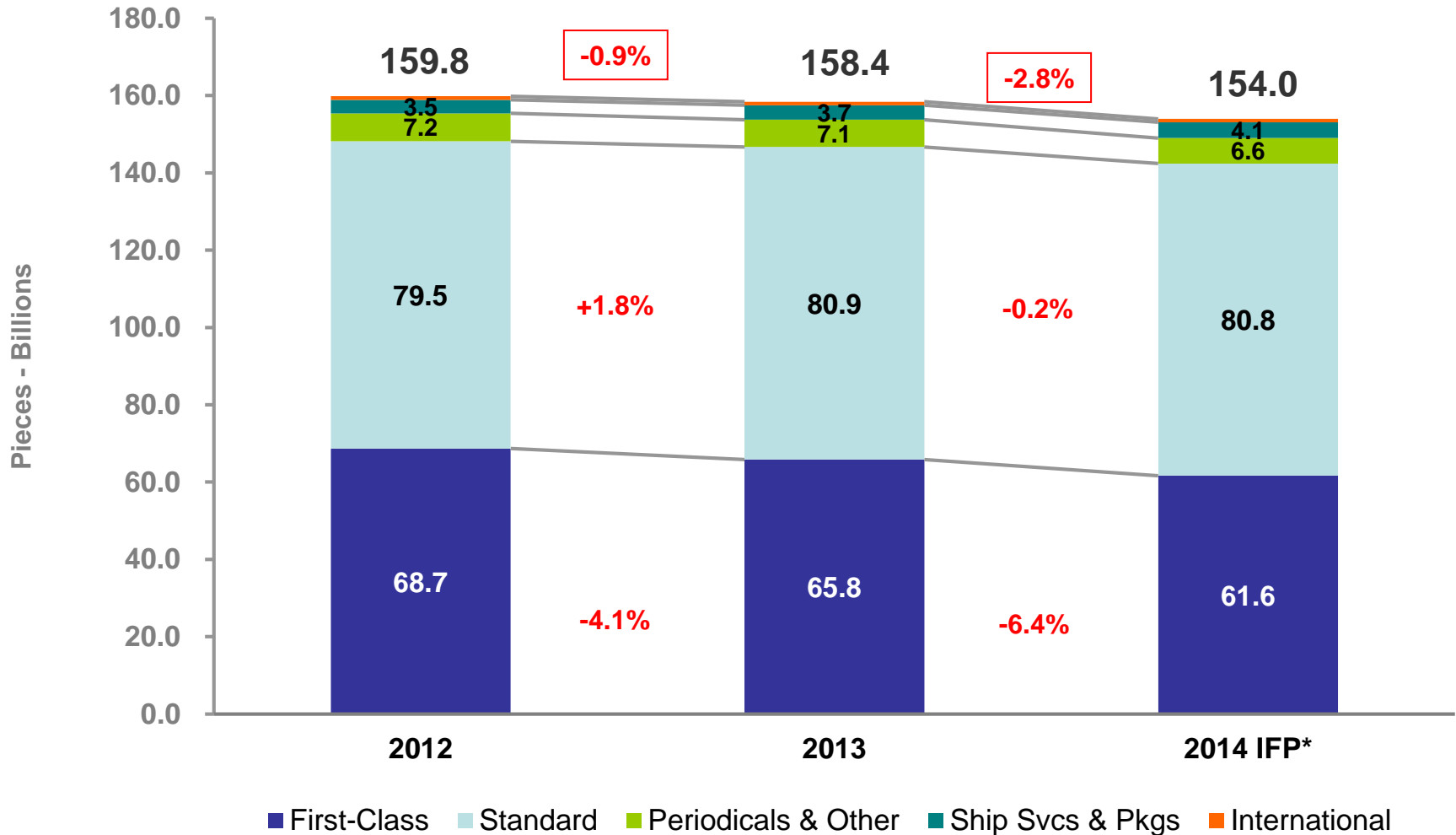
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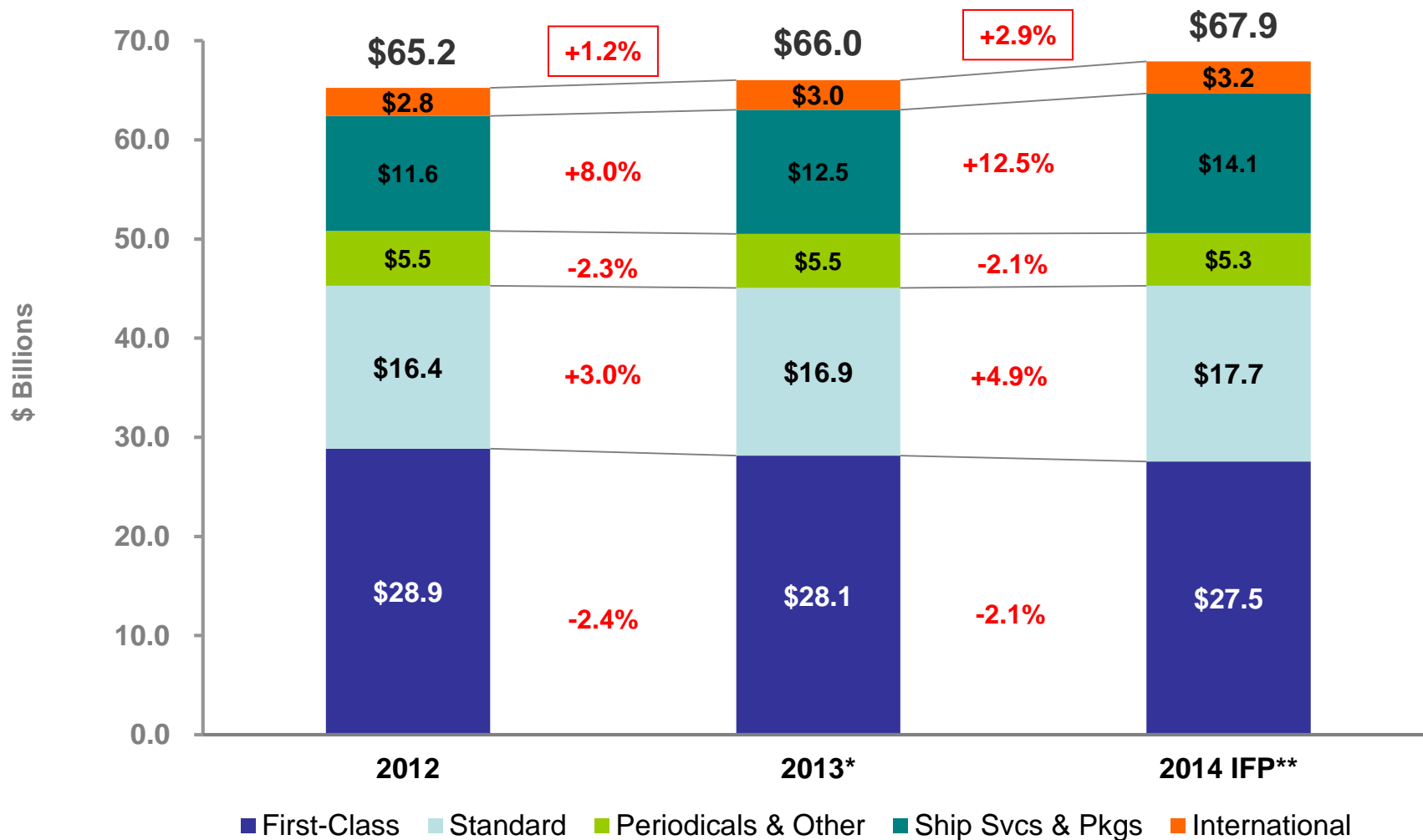


Volume Trend 2012-2014



* Includes effect of CPI price increase of 1.6%, plus exigent price increase of 4.3% effective January 26, 2014, and Competitive growth initiatives

Revenue Trend 2012-2014



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2013 - 2014 Liquidity Days of Operating Cash Available

No payments for Retiree Health Benefits (RHB) Pre-Funding are included (\$5.6 B in 2013, and \$5.7B in 2014)

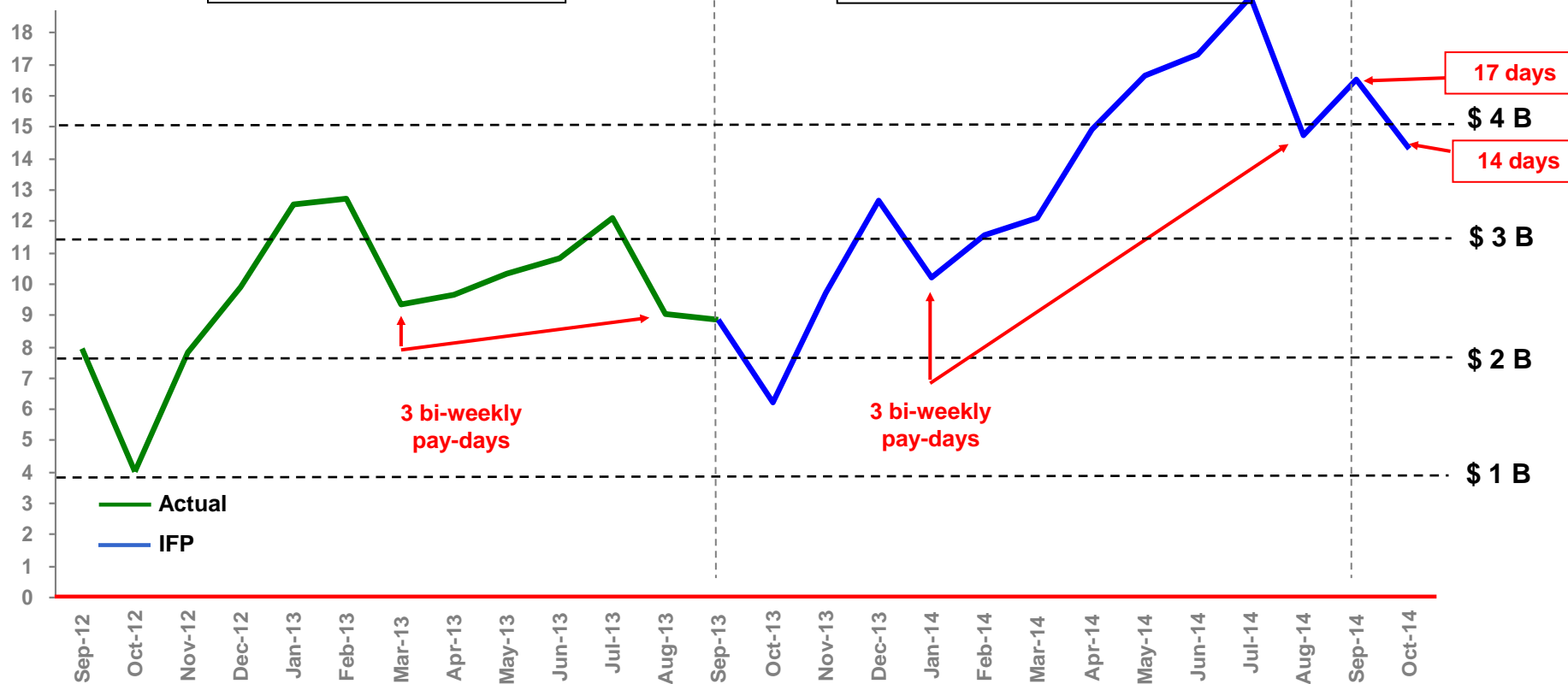
FY 2013

Operating Loss = (\$1.0B)

FY 2014

Operating Income = \$1.1B IFP

Days



- Liquidity includes unrestricted cash plus available borrowing, up to \$15B limit
- Days of Operating Cash – based on average operating costs disbursed per day ~\$265M

Mid-October Balances shown - Low points after annual Workers' Compensation payments to DOL